



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF AGRICULTURE  
AND RURAL DEVELOPMENT

JAMIE CLOVER ADAMS  
DIRECTOR

January 25, 2013

Dear Grain Dealer,

Enclosed are updated FPIA Administrative Assessment Quarterly Report Forms with the updated address for submission of assessments. Mail check and form to:

FARM PRODUCE INSURANCE AUTHORITY  
PO BOX 674704  
DETROIT MI 48267-4704

Please note that assessments collected for the first quarter of 2013 are due by **April 30, 2013**. Furthermore, there was a mistake in calculation section of the prior report form that was sent in December. It should have listed .00015 and not .002 on line 5.

There also seems to be some confusion about how net proceeds are calculated for the FPIA administrative assessment. Please note that the FPIA administrative assessment net proceeds calculation is consistent with the 2003 FPIA assessment formula which is:

"The administrative assessments, as defined in Section 10 (PA 198 of 2003, as amended), shall be calculated using the net sales price of the grain **including** all discounts for moisture, quality, variety, or any other characteristic of the farm produce and **after** the deduction of marketing assessments, storage, drying, cleaning or any usual customary charges of the sale of farm produce."

Q: Do I assess the .00015 before or after storage costs?

A: FPIA administrative assessment should be calculated after storage costs are deducted. Also, the deduction is to be made after handling and other normal charges.

Q: Is the FPIA assessment calculation the same as the soybean and wheat check off?

A: No. Both the FPIA assessment and the soybean and wheat check offs calculate the net value (net proceeds) after quality discounts have been taken including moisture and/or quality grade. However, for soybean and wheat, other fees such as storage, handling, drying and other services provided by the elevator and are deducted after the check off has been calculated. While under FPIA other usual fees such as storage, handling, marketing and drying charges are deducted prior to the assessment.

I apologize for any confusion and please let me know if you have any questions.

Sincerely,

Jeff G. Haarer, Producer Security and Ag products Manager